

To: Johnson, Alisha[Johnson.Alisha@epa.gov]; Reynolds, Thomas[Reynolds.Thomas@epa.gov]
From: Santillo, Jessica
Sent: Thur 9/5/2013 3:50:37 AM
Subject: RE: Heads Up: WaPo

Looks like it's up

Former senior EPA adviser Beale expected to plead guilty in \$900,000 pay fraud

By Ann E. Marimow and Lenny Bernstein, Wednesday, September 4, 8:00 PM E-mail the writers

Over the past 12 years, John C. Beale was often away from his job as a high-level staffer at the Environmental Protection Agency. He cultivated an air of mystery and explained his lengthy absences by telling his bosses that he was doing top-secret work, including for the CIA.

For years, apparently, no one checked.

More health and science news

Dominion Virginia wins lease of ocean tract for wind farm



Lenny Bernstein 8:11 PM ET

The first offshore energy project in the region could provide electricity to about 700,000 homes.

EPA adviser's air of mystery hid alleged fraud

Ann E. Marimow and Lenny Bernstein 8:00 PM ET

John C. Beale allegedly took nearly \$900,000 in pay for work he didn't perform; guilty plea is expected.

How many uncontacted tribes are left in the world?



Bob Holmes SEP 2

Peruvian indigenous people's attempt to contact neighbors spurs questions about isolated groups.

Now, Beale is charged with stealing nearly \$900,000 from the EPA by receiving pay and bonuses he did not deserve. He faces up to three years in prison.

Beale, 64, who was a senior policy adviser in the Office of Air and Radiation, is expected to plead guilty at a hearing scheduled for Monday at U.S. District Court in Washington.

"This is a situation where one individual went to great lengths to deceive and defraud the U.S. government," said EPA spokeswoman Alisha Johnson.

Beale's attorney, John W. Kern, declined to comment on the case, as did a spokesman for U.S. Attorney Ronald C. Machen Jr.

At agency headquarters on Pennsylvania Avenue, Beale fostered an enigmatic image. He frequently traveled to China, South Africa and England, according to several people who worked with him. He would describe his trips and mention a lingering case of malaria.

The Arlington County resident told colleagues that his stints away from the office were for "sensitive work for another agency," according to an official familiar with the situation who spoke on the condition of anonymity because the case is pending.

"I even asked him about it, as a joke," said a person who knows Beale through work on environmental issues and spoke on condition of anonymity because of the pending charges. "We all actually believed that maybe there was something going on. He just kind of laughed it off."

In recent weeks, people who work on environmental issues inside and outside the agency have learned of Beale's alleged deceit and the matter has taken on some political weight.

Sen. David Vitter (La.), the top Republican on the Environment and Public Works

Committee, called the alleged scheme a “massive fraud” and has demanded additional investigation by the inspector general to determine whether the alleged corruption extends further in the agency that protects the nation’s air, water and land.

Vitter said Beale had worked for Gina McCarthy, who now leads the EPA, for at least part of the time that he allegedly stole agency funds. The Louisiana Republican had threatened to filibuster McCarthy’s nomination to lead the agency over an unrelated matter.

McCarthy’s defenders said privately that she discovered the alleged activity and brought it to the attention of the authorities. She later forced Beale to retire in April 2013, according to a person familiar with the investigation. When he left, his base salary was \$164,700.

Throughout the alleged scheme, which federal prosecutors said began in 2000, Beale appears to have acted alone, according to people close to the case.

The charges against Beale came in a three-page “criminal information,” which can only be filed with a defendant’s cooperation and signals that a plea agreement has been reached.

More details about how Beale carried out the alleged long-running scheme and exactly how much time he took off while still being paid are expected to emerge at his hearing before Magistrate Judge John M. Facciola.

Starting in about 2000, and continuing through Republican and Democratic administrations, court papers indicate that Beale was paid for work he never performed for the agency.

He received a salary, benefits and “retention incentive” bonuses “for which Beale had not earned by providing employment services to the EPA,” Assistant U.S. Attorney James E. Smith said in the court papers filed on Aug. 23.

The U.S. attorney’s office is seeking to recover \$507,207 in a judgement against Beale. A separate restitution order for additional funds could be filed separately.

It is unclear whether Beale has the ability to repay the government. Property records show that Beale bought his 4,100-square-foot townhouse near Marymount University in 1996 for \$536,000. His wife, Nancy Kete, is a managing director at the Rockefeller Foundation and previously worked for the EPA, according to her biography on the foundation’s Web site.

Phone messages left Wednesday for Beale and his wife were not returned. Beale, who has a master’s degree from Princeton University, began his career at the EPA in the late 1980s. He was intimately involved in the reauthorization of the Clean Air Act in 1990. During the George W. Bush administration, he coordinated the EPA’s discussions and

activities on climate change with other agencies and the White House at a senior staff level.

Early on, his air-quality expertise led to many legitimate overseas trips and qualified him for annual bonuses, according to people familiar with the case.

“There was always an aura of mystery surrounding him,” said Frank O’Donnell, president of the environmental nonprofit Clean Air Watch, who was in various meetings with Beale. “He always projected confidence that he could fix any problem.”

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Thanks!

Alisha

***** ATTACHMENT NOT DELIVERED *****

This Email message contained an attachment named image001.jpg which may be a computer program. This attached computer program could contain a computer virus which could cause harm to EPA's computers, network, and data. The attachment has been deleted.

This was done to limit the distribution of computer viruses introduced into the EPA network. EPA is deleting all computer program attachments sent from the Internet into the agency via Email.

If the message sender is known and the attachment was legitimate, you should contact the sender and request that they rename the file name extension and resend the Email with the renamed attachment. After receiving the revised Email, containing the renamed attachment, you can rename the file extension to its correct name.

For further information, please contact the EPA Call Center at (866) 411-4EPA (4372). The TDD number is (866) 489-4900.

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From: Santillo, Jessica
Sent: Wed 9/4/2013 10:41:15 PM
Subject: Re: Heads Up: WaPo

2025035872 just tried you.

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Sent: Wednesday, September 04, 2013 06:39 PM
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From: Johnson, Alisha
Sent: Wed 12/18/2013 8:41:28 PM
Subject: FW: EPA stmt on Beale sentencing

Any feedback from the boss?

From: Deputy Administrator
Sent: Wednesday, December 18, 2013 2:39 PM
To: Reynolds, Thomas; Garbow, Avi; Vaught, Laura; Adm13McCarthy, Gina; Keyes-Fleming, Gwendolyn
Cc: Johnson, Alisha
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Subject: RE: EPA stmt on Beale sentencing

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We commend the U.S. Attorneys Office and the EPA's Office of Inspector General for their efforts in working to secure today's conviction. Since uncovering John Beale's deliberate deception and fraud, EPA has worked in close coordination with both parties and continues to take actions that establish additional safeguards to help protect against further fraud and abuse related to employee time and attendance, including strengthening supervisory controls of time and attendance, improved review of employee travel and a tightened retention incentive processes.

From: Reynolds, Thomas
Sent: Wednesday, December 18, 2013 1:57 PM
To: Johnson, Alisha
Subject: FW: EPA stmt on Beale sentencing

From: Garbow, Avi
Sent: Wednesday, December 18, 2013 1:52 PM
To: Reynolds, Thomas; Vaught, Laura; Adm13McCarthy, Gina; Keyes-Fleming, Gwendolyn; Deputy Administrator
Subject: Re: EPA stmt on Beale sentencing

Might want to broaden to make clear that actions we have taken/are taking address more than time and attendance issues (see your last sentence).

From: Reynolds, Thomas
Sent: Wednesday, December 18, 2013 1:37:20 PM
To: Vaught, Laura; Adm13McCarthy, Gina; Keyes-Fleming, Gwendolyn; Deputy Administrator; Garbow, Avi
Subject: EPA stmt on Beale sentencing

We have been asked by a few outlets, including the Washington Post, for a stmt regarding Beale sentencing.

I think the below makes some sense on one hand, but I would like to discuss it once the Administrator returns from the WH mtgs.

Statement from EPA spokesperson:

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From: Vaught, Laura

Sent: Wednesday, December 18, 2013 1:32 PM

To: Adm13McCarthy, Gina; Keyes-Fleming, Gwendolyn; Reynolds, Thomas; Deputy Administrator; Garbow, Avi

Subject: Just fyi

Senator Boxer's Statement on Beale Sentencing and EPA's IG Ongoing Investigation

December 18, 2013

Washington, D.C. - U.S. Senator Barbara Boxer (D-CA), Chairman of the Environment and Public Works Committee, issued the following statement after John Beale, a former career employee at the Environmental Protection Agency (EPA) who pleaded guilty in September to theft of government property that occurred during multiple Administrations, was sentenced today to 32 months in federal prison.

Senator Boxer said: "**I commend the EPA Administrator for taking steps to shine a light on**

the actions of this rogue employee, and her actions helped uncover his crimes. The sentence handed down by the judge today is appropriate given Mr. Beale's outrageous activities. EPA has already put safeguards in place to prevent fraud and deception from happening in the future. Once the EPA Inspector General's investigation has been completed, I am confident that EPA will implement any additional measures necessary to ensure that this does not happen again. The Obama Administration's Department of Justice is also making sure that the American taxpayers will be reimbursed."

###

To: Santillo, Jessica[Jessica_R_Santillo@who.eop.gov]
Cc: Reynolds, Thomas[Reynolds.Thomas@epa.gov]
From: Johnson, Alisha
Sent: Wed 9/4/2013 10:26:18 PM
Subject: Heads Up: WaPo

Hey there,

I wanted to give you a heads up that the Washington Post is going to run an in-depth story on the John Beale criminal indictment tomorrow. AP broke the story last week (http://articles.washingtonpost.com/2013-08-23/politics/41439239_1_beale-13-years-former-epa-official).

WaPo's story will go into greater detail on Beale's actions during his time at the Agency, specifically from 2000-2012. We have provided him with a statement and some context on background.

I will circulate the story as soon as it runs. Let me know if you have additional questions.

Thanks!

Alisha

To: Reynolds, Thomas[Reynolds.Thomas@epa.gov]; Vaught, Laura[Vaught.Laura@epa.gov]; Adm13McCarthy, Gina[Adm13McCarthy.Gina@epa.gov]; Keyes-Fleming, Gwendolyn[KeyesFleming.Gwendolyn@epa.gov]; Deputy Administrator[62Perciasepe.Bob73@epa.gov]
From: Garbow, Avi
Sent: Wed 12/18/2013 6:52:12 PM
Subject: Re: EPA stmt on Beale sentencing

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Ongoing Investigation

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To: Reynolds, Thomas[Reynolds.Thomas@epa.gov]; Johnson, Alisha[Johnson.Alisha@epa.gov]; Behringer, Caroline[Behringer.Caroline@epa.gov]; Cohen, David[Cohen.David@epa.gov]
From: Bloomgren, David
Sent: Thur 11/7/2013 9:50:32 PM
Subject: Quick Update

Only a few inquiries on the listening session. Bloomberg wanted to know why we 'couldn't have just rented a space in Wyoming somewhere.'

Washington Free Beacon has a FOIA response on John Beale. Provided Bob P's testimony. Reporter is asking about travel vouchers and I've sent to Minoli for a suggestion. Alisha - your copied on that.

We did an deep backgrounder with Darryl Fears at WaPost and Ellen Gilinsky on the Chesapeake and Mississippi. He got what he needed and has not come back asking for anything OTR.

Dina C. questions on Kemper are outstanding but I don't think she's pinging anyone.

I'm out tomorrow but on blackberry and available.

To: Bloomgren, David[Bloomgren.David@epa.gov]; Reynolds, Thomas[Reynolds.Thomas@epa.gov]
From: Johnson, Alisha
Sent: Thur 11/7/2013 7:08:53 PM
Subject: Re: Comments on Beale travel vouchers?

We pulled a statement from this but I can't find on bb. I think sending the testimony is fine.

From: Bloomgren, David
Sent: Thursday, November 07, 2013 2:03:15 PM
To: Reynolds, Thomas; Johnson, Alisha
Subject: FW: Comments on Beale travel vouchers?

See below - did we know that a FOIA was going out on Beale? Could send CJ Bob's testimony which is brief and outlines steps we are taking.

<http://oversight.house.gov/wp-content/uploads/2013/10/EPA-Perciaspe-OversightTestimony-J-Beale.pdf>

-----Original Message-----

From: CJ Ciaramella [mailto:ciaramella@freebeacon.com]
Sent: Thursday, November 07, 2013 1:55 PM
To: Bloomgren, David
Subject: Comments on Beale travel vouchers?

Hi David,

This is CJ Ciaramella, a reporter for the Washington Free Beacon. I usually work with Alisha, but she's out of the office, and her away message directed me to you. I FOIA'd a bunch of John Beale's travel expenses, and I have a couple questions: I've got two vouchers for five-star hotels on the Malibu beachfront and the banks of the River Thames in London. What steps is EPA taking in light of the Beale case, and where was the breakdown in oversight that allowed him to get away with this for so long?

One other question: On all of the GovTrip Travel System document histories for the travel vouchers, the certification signature and date are all left blank. I can send over an example, if you'd like. I'm not familiar with the voucher system. Is this normal? Any help appreciated. Thanks,

CJ Ciaramella
Reporter, Washington Free Beacon
(503) 951-9863

To: Reynolds, Thomas[Reynolds.Thomas@epa.gov]; Johnson, Alisha[Johnson.Alisha@epa.gov]
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Sent: Thur 11/7/2013 7:03:15 PM
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Reporter, Washington Free Beacon
(503) 951-9863

To: Reynolds, Thomas[Reynolds.Thomas@epa.gov]
From: Johnson, Alisha
Sent: Wed 11/6/2013 3:52:40 PM
Subject: Re: interview request

Agreed.

From: Reynolds, Thomas
Sent: Wednesday, November 06, 2013 10:50:03 AM
To: Johnson, Alisha
Subject: RE: interview request

We can give her a strong comment, reflecting Bob P's testimony from the hearing, but no interview.

From: Johnson, Alisha
Sent: Wednesday, November 06, 2013 10:48 AM
To: Reynolds, Thomas
Subject: Fw: interview request

Another fyi

From: Svati Narula <snarula@theatlantic.com>
Sent: Wednesday, November 06, 2013 10:44:37 AM
To: Johnson, Alisha
Subject: Re: interview request

Alisha,

Thanks for your quick reply! I'm writing about the John Beale investigation, and would like to hear Gina's version of the story. If she's not willing to say much, then 10-15 minutes would be sufficient, I guess, but ideally we could speak for half an hour.

Thanks again,

Svati

On Wed, Nov 6, 2013 at 10:37 AM, Johnson, Alisha <Johnson.Alisha@epa.gov> wrote:

Hi Svati,

Thanks for reaching out. Happy to look into this for you. Can you give me a few more details on topics you'd like to cover? Also, how much time would you be looking for?

From: Svati Narula <snarula@theatlantic.com>
Sent: Wednesday, November 06, 2013 10:33:53 AM
To: Johnson, Alisha
Subject: interview request

Dear Alisha,

I'm a writer at *The Atlantic* magazine here in D.C., and I'm hoping to speak to Gina McCarthy for a story about the EPA.

Is it possible to arrange an interview with her before November 15th?

Thank you,

Svati Narula

[202-266-7110](tel:202-266-7110)

To: Reynolds, Thomas[Reynolds.Thomas@epa.gov]
From: Johnson, Alisha
Sent: Wed 11/6/2013 3:48:11 PM
Subject: Fw: interview request

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Is it possible to arrange an interview with her before November 15th?

Thank you,
Svati Narula
202-266-7110

To: Reynolds, Thomas[Reynolds.Thomas@epa.gov]
From: Johnson, Alisha
Sent: Wed 10/16/2013 3:14:43 PM
Subject: FW: In Ongoing Theft, Fraud Saga at EPA, Vitter Presses Brenner on Bonuses, Relationship with Beale

FYI – not sure we’d have anything to say here.

From: Robin Bravender [mailto:rbravender@eenews.net]
Sent: Wednesday, October 16, 2013 10:54 AM
To: Johnson, Alisha
Subject: FW: In Ongoing Theft, Fraud Saga at EPA, Vitter Presses Brenner on Bonuses, Relationship with Beale

Hey Alisha,

I’m writing a quick story for Greenwire about this series of letters between Vitter and Rob Brenner. Please let me know if you want to comment. My deadline is 11:45 a.m.

Thanks!

Robin

For Immediate Release

Luke Bolar

Contact:

October 16, 2013

4623

(202) 224-

In Ongoing Theft, Fraud Saga at EPA, Vitter Presses Brenner on Bonuses, Relationship with Beale

Vitter continues working to get to root of problem and reform EPA policies to prevent blatant corruption

(Washington, D.C.) – U.S. Sen. David Vitter (R-La.), top Republican on the Environment and Public Works (EPW) Committee, yesterday sent a follow-up letter to Robert Brenner, former Deputy Assistant Administrator of the Office of Air and Radiation at the U.S. Environmental Protection Agency (EPA), continuing the Committee's investigation of Brenner's relationship with John C. Beale, a former senior EPA official who admitted to stealing nearly \$900,000 of taxpayer funds.

"While I am pleased that Brenner is cooperating with our oversight duties, there's still a lot of unanswered questions about his time in EPA's Air and Radiation Office, especially when he supervised John Beale," said Vitter. "If the EPA is serious about reforming its policies to prevent this form of blatant corruption, then we – Congress and the American people – deserve clear answers on how this whole scam started and was able to continue for over two decades. Learning more about Brenner's role, which may have facilitated Beale's thievery and fraud, will hopefully provide some of those answers."

On September 9th, Vitter sent a letter to Brenner regarding the circumstances and his involvement surrounding Beale's fraud and theft. [Click here to read Vitter's letter to Brenner](#). On October 4th, Brenner provided an incomplete response to Vitter's letter. [Click here to read Brenner's response](#).

Vitter has also been actively working with the EPA Office of the Inspector General (OIG) to instigate an investigation of Beale and the Agency's policies and processes that

facilitated Mr. Beale's fraud, as well as actions that the EPA can take to reform its management policies. Vitter has focused on 10 specific questions that should be asked of EPA officials and the EPA OIG. [Click here to read more.](#) [Vitter has also called on](#) Chairman Barbara Boxer (D-Calif.) to hold an EPW Committee hearing.

On October 1st, Brenner testified before the House Oversight and Government Reform Committee on Beale's career history with the EPA, yet answered vaguely when asked of his own background and possible other breaches of the public trust, including an \$8,000 discount on a Mercedes-Benz from a lobbyist who had previously worked on EPA's Clean Air Act Advisory Committee. According to the ongoing investigation, the EPA OIG office thought Brenner could be guilty of bribery for accepting the discount on the luxury car. However, the Justice Department's Office of Public Integrity declined to investigate further, despite initially asking for OIG's help in the investigation. Brenner retired after the EPA OIG indicated a desire to interview him.

Text of yesterday's letter is below. [Click here for the PDF version.](#)

October 15, 2013

Justin V. Shur

Molo Lamken LLP

600 New Hampshire Ave, N.W.

Washington, D.C. 20037

Dear Mr. Shur:

The Committee is in receipt of your October 4, 2013, letter^[1] sent on behalf of your client, Mr. Robert Brenner, responding to the Committee's September 9, 2013, letter.^[2] While the Committee is pleased that your client has decided to cooperate with our

inquiry, the response was incomplete. As you are aware, details surrounding the fraudulent conduct of John C. Beale were released on September 27, 2013, following his guilty plea to government theft of \$886,186, and criminal forfeiture of \$507,207.^[3] Moreover, the recent House Committee on Oversight and Government Reform hearing held on October 1, 2013,^[4] revealed additional facts that warrant further examination into your client's relationship with John C. Beale. Accordingly, this letter expands on the Committee's initial inquiry and asks for clarification on your client's incomplete responses. Please instruct your client to respond truthfully to each itemized question with a corresponding itemized response.

1. In response to question 2, you indicated that the first time Mr. Beale represented to Mr. Brenner that he was working for the Central Intelligence Agency (CIA) was at some point after 2011.^[5] However, the EPA Office of Inspector General (OIG) has indicated that Beale first assumed this false persona in 1994, when he was under Brenner's direct supervision.
 - a. Accordingly, please indicate when Brenner first heard the "rumor" that Beale was a CIA agent. Please indicate the source of the "rumor."
 - b. During the period Brenner supervised Beale in the 1990's, did Beale ever have unexplained absences from work? Please explain.
 - c. Did Brenner ever question Beale about the "rumors" that he was a CIA agent before Beale represented to Brenner in 2001 that he was part of the clandestine service?
 - d. At exactly what period in their friendship did Beale first represent to Brenner that he served in Vietnam? Did your client ever suspect that this was not the case? Please explain.
2. In response to question 3, you state that Brenner supervised Beale from in or around 1988 through in or around 2000 and for a period of time in 2001.^[6] Please provide the dates and corresponding employee titles held by Brenner and Beale during this period of time.
3. In response to question 4, you failed to provide the number of employees that worked with Mr. Brenner in the Office of Policy, Analysis and Review (OPAR) for the years of 1989 to 2000.^[7] Accordingly, I reiterate my request that Mr. Brenner provide the number of employees he worked with during this period of time. This should reflect the number of individuals serving with Brenner at one time; as well as the total number of individuals who Brenner worked with while at OPAR.

4. In response to question 5, you provided a list of assignments that Beale performed, yet you declined to list Brenner's own work product, pursuant to question 4.^[8] It is not clear at all to the Committee why your client can recall Beale's assignments, but not his own. Accordingly, I reiterate my request that Brenner provide a list of all assignments in which he substantively participated in – either as a lead or contributing staff member - from 1989 through his retirement in 2011.
5. In response to question 6, you indicated that Brenner had not taken steps to preserve all communications and correspondence between himself and Beale since 1990.^[9] Please instruct Mr. Brenner to preserve all communications immediately, and list any action taken by Brenner, or someone on his behalf, to destroy any records that would be responsive.
6. In response to question 7, you indicated that Beale informed Brenner about an investigation into his activities by the OIG in Fall of 2012.^[10] However, the OIG did not begin to investigate Beale until February 2013.^[11] Accordingly, please recount in as much detail as possible what Beale said to Brenner about the investigation in the Fall of 2012. This response should include who Beale indicated was investigating him, why he was being investigated, and why he was informing Brenner of the investigation.
7. In question 8, the Committee asked for a list of the individuals at EPA with whom Brenner discussed the Beale investigation.^[12] Your response indicated that Brenner had discussions with several former and current EPA employees, but otherwise failed to identify who these individuals were.^[13] Please list the individuals currently or formerly employed by the EPA with whom Brenner has spoken to about the Beale investigation. Please describe the nature of these conversations; the approximate date of each of these conversations; and who initiated them.
8. According to the EPA OIG, Brenner recommended a retention incentive bonus for Beale on two occasions – once in 1991 and again in 2000.^[14] The bonus was only approved for three years at a time, however, Beale continued to receive the 1991 bonus through 2000 and the 2000 bonus through February 2013.^[15]
 - a. Was Brenner ever made aware that Beale's 1991 bonus did not end, per its authorization, in 1994? If so, please explain how and when Brenner was made aware that Beale continued to receive the bonus beyond its authorized time frame.
 - b. Was Brenner ever made aware that Beale's 2000 bonus did not end, as

- authorized, in 2003? If so, please explain how and when Brenner was made aware that Beale continued to receive the bonus beyond its authorized time frame.
- c. In Brenner's position as Director of the Office of Policy, Analysis and Review, was he responsible for reviewing the salaries of the individuals under his supervision? As Beale's supervisor from 1988 to 2001, was Brenner able to review Beale's salary? Did Brenner review Beale's salary?
 - d. As Beale's supervisor from 1988 to 2001, was Brenner aware of his aggregate annual salary? Did he ever have knowledge that Beale was receiving a 25% bonus from 1994 through 2000?
 - e. What events prompted Brenner to resubmit Beale's bonus request in 2000? Did Brenner discuss the bonus with Beale prior to submitting his request in 2000? Did Brenner know that the earlier retention incentive bonus had expired just prior to his second submission?
 - f. Please indicate the specific justification that supported your 2000 request that Beale receive a retention incentive bonus.
 - g. In Brenner's tenure at EPA, how many times did he authorize a retention incentive bonus for the employees he supervised and what are the names of each of these employees?
 - h. Over the course of 33 years at EPA, has Brenner ever received a retention incentive bonus? If so, when did Brenner receive such bonuses and who recommended him to receive the bonus?
9. In 2004, at which point Brenner was not Beale's supervisor, he nominated Beale for a Superior Accomplishment Recognition Award, which was accompanied by a \$2,250 payment.^[16]
- a. Did Beale ever suggest that your client nominate him for the award?
 - b. Please identify Beale's specific accomplishments that warranted this nomination.
 - c. Was Brenner aware of the payment that accompanied the award?
 - d. Had your client nominated any other EPA employee for this award?
10. In 2005, at which point Brenner was not Beale's supervisor, he nominated Beale for the Meritorious Executive Rank Award, a category of the Presidential Rank Award, which carried a \$28,201 payment.^[17]
- a. Did Beale ever suggest that your client nominate him for this accolade?
 - b. Please identify Beale's specific accomplishments that warranted this nomination.
 - c. Was Brenner aware of the payment that accompanied the award?
 - d. Had your client nominated any other EPA employee for this award?

11. In your October 4, 2013, response, you indicated that from 1988 through 2000, and for a period of time in 2001, Brenner was responsible for approving Beale's time and attendance sheets, as well as travel and other related requests, but that he delegated these responsibilities to administrative staff.^[18]
- Did Brenner ever give his administrative staff instructions specific to Beale? If so, what were the instructions?
 - Did Brenner ever review the decisions related to time and attendance and travel vouchers made by his administrative staff? Please explain the manner in which such review was conducted.
 - Did Brenner ever approve Beale's lodging accommodations? Did these accommodations ever exceed the government per diem?
 - Did anyone ever share with Brenner any concerns they had about Beale's time and attendance, travel vouchers, or his claim to be a CIA agent? If so, please detail the concerns, who raised them and when they were raised.
12. In August 2000, just two months after Beale had been authorized for the incentive retention bonus, your client recommended Beale for a promotion to Deputy Assistant Administrator for the Office of Air and Radiation, the same title held by your client at that time.^[19] Along with the promotion, Beale was given Senior Leader status, which elevated his base salary to approximately \$180,000.^[20]
- Did Brenner discuss the promotion with Beale prior to making his recommendation?
 - Please identify Beale's specific accomplishments that warranted this promotion.
13. While your letter implies that Brenner did not supervise Beale after 2001, did your client continue to approve or make recommendations to influence any of Beale's administrative submissions? Administrative submissions would include Beale's time and attendance, travel vouchers, airfare, and pay. If so, please describe the items that your client continued to facilitate on Beale's behalf.
14. When Brenner supervised Beale from 1988 through 2001, did Beale represent to Brenner he had a bad back?
- If so, what actions did your client take to verify this claim?
 - While at EPA, did your client ever approve travel vouchers for Beale's first class airfare?
 - In the time your client spent with Beale personally and professionally, did he ever see Beale display the symptoms of a bad back? If so, please describe.

15. When Brenner supervised Beale from 1988 through 2001, did Beale represent to your client that he had malaria?
- If so, what actions did your client take to verify this claim?
 - Was Malaria listed on Beale's Military Service Record (DD Form 214)?
 - Did your client ever verify that Beale did in fact have a DD – 214?
 - In the time he spent with Beale personally and professionally, did he ever see Beale display the symptoms of malaria? If so, please describe when and where these instances occurred.
16. In Brenner's testimony before the House Committee on Oversight and Government Reform, your client testified that he did in fact receive an \$8,000 discount on a new Mercedes Benz, a discount that was brokered by Patrick M. Raher (Raher), a partner at the law firm Hogan Lovells LLP.^[21] Moreover, he indicated that he knew Raher from the time Raher served on EPA's Clean Air Act Advisory Committee (CAAAC).^[22]
- Please provide an accounting of the exact nature of Brenner's relationship with Raher. This account should include when Brenner first became acquainted with him, level of interaction with him while he was a member of the CAAAC, and after he left Federal service. Please also include any projects Brenner on worked with Raher.
17. In the House Committee on Oversight and Government Reform hearing, it was revealed that not only did your client own a vacation property with Beale, which he sold back to Beale for a 300% profit on or around 1999; but that that Beale is currently residing as a guest in Brenner's residence.^[23] Public records also indicate that Beale lived with Brenner at his Arlington, Virginia residence in 1995.^[24]
- Please list the month and year for every occasion, lasting two weeks or more, in which Beale lived with your client.
 - Did Beale ever pay rent to Brenner on these occasions?
 - Did Beale and Brenner jointly own any other assets? If so, please specify each asset currently or previously owned by your client and Beale, including the period of ownership.
18. The EPA OIG reported that in September 2011, a joint retirement party was held on the Potomac River on the "Celebrity Yacht" for Beale, Brenner, and a third individual.^[25]
- Who was the third individual?
 - Who paid for the retirement party?
 - Did your client believe that Beale was retiring from the agency at this time?

d. What representations had Beale made to your client about his future retirement plans?

19. Please provide the Committee with all documents and correspondence in your client's possession that refers or relates to the following items:
- a. Beale's employment at EPA, including but not limited to bonuses paid to him, work assignments, and any documents that refer or relate to Brenner's supervisory responsibility over Beale;
 - b. Brenner's work at the EPA;
 - c. Any property jointly owned at any time by Beale and Brenner; or
 - d. Your client's purchase of a Mercedes Benz in 2010.

Please ensure that your client provides a detailed response to these questions no later than October 29, 2013. If you have any questions, please contact 202-224-6176.

Sincerely,

David Vitter

Ranking Member

Environment and Public Works

-30-

[1] Letter from Mr. Justin Shur, Counsel to Mr. Robert Brenner, to Kristina Moore, Senior Counsel for Oversight, S. Comm. on Env't. & Public Works (Oct. 4, 2013) [hereinafter Letter from Mr. Shur].

[2] Letter from the Hon. David Vitter, Ranking Member, S. Comm. on Env't. & Public Works, to Mr. Robert Brenner (Sept. 9, 2013) [hereinafter Letter from Sen. Vitter].

[3] *United States v. Beale*, No. 1:13-cr-00247-ESH (D. D.C. filed Aug. 23, 1987); see also Press Release, U.S. Dep't of Justice, *Former EPA Senior Policy Advisor Pleads Guilty to Theft in Scheme that Cost Government Nearly \$900,000* (Sept. 27, 2013), <http://www.justice.gov/usao/dc/news/2013/sep/13-339.html>.

[4] *Secret Agent Man? Oversight of EPA's IG Investigation of John Beale: Hearing Before the H. Comm. on Oversight & Gov't Reform*, 113th Cong. (Oct. 1, 2013).

[5] Letter from Mr. Shur, *supra* note 1.

[6] Letter from Mr. Shur, *supra* note 1.

[7] *Id.*

[8] *Id.*

[9] *Id.*

[10] *Id.*

[11] *Secret Agent Man? Oversight of EPA's IG Investigation of John Beale: Hearing Before the H. Comm. on Oversight & Gov't Reform*, 113th Cong. (Oct. 1, 2013) (statement of Patrick Sullivan, Asst. Inspector Gen. for Investigations) [hereinafter Statement of Patrick Sullivan].

[12] Letter from Sen. Vitter, *supra* note 2.

[13] Letter from Mr. Shur, *supra* note 1.

[14] Statement of Patrick Sullivan, *supra* note 11.

[15] *Id.*

[16] *Id.*

[17] *Id.*

[18] Letter from Mr. Shur, *supra* note 1.

[19] Statement of Patrick Sullivan, *supra* note 11.

[20] *Id.*

[21] *Secret Agent Man? Oversight of EPA's IG Investigation of John Beale: Hearing Before the H. Comm. on Oversight & Gov't Reform*, 113th Cong. (Oct. 1, 2013) (statement of Mr. Robert Brenner).

[22] *Id.*

[23] *Id.*

[24] Search for Property Records of John C. Beale, LEXIS, <https://advance.lexis.com/>; Search for Property Records of Robert Brenner, LEXIS, <https://advance.lexis.com/>.

[25] Statement of Patrick Sullivan, *supra* note 11.

To: Reynolds, Thomas[Reynolds.Thomas@epa.gov]; Bloomgren, David[Bloomgren.David@epa.gov]
From: Johnson, Alisha
Sent: Wed 12/18/2013 12:05:51 PM
Subject: Daily Beast: The EPA's Million Dollar Con Man

This reporter reached out very late last night. I backgrounded her and got her the corrective action report. Seems her story was mostly written though.

EPA's Million-Dollar Con Man

By Michelle Cottle December 18th 2013 5:45 AM

More Stories by Michelle Cottle

John C. Beale faces sentencing Wednesday, but the sheer outrageousness of his fraud—pretending to be a CIA agent to skip work—may have helped him perpetuate it for two decades. Let's say you wake up tomorrow morning and really don't want to go to work. You're not sick. You're not depressed. You're not hungover. You just cannot bear the thought of showering, shaving, and schlepping into the office to spend eight-plus hours doing more or less the same exact crap that you did yesterday and the day before and the day before that. So what do you do? Take a personal day? Fake the flu? Hit snooze and spend the next half-hour fantasizing about running away to Key West?

Not John C. Beale. As a senior policy adviser in the Environmental Protection Agency's Office of Air and Radiation, Beale dealt with his workplace malaise by convincing his bosses that he was a CIA operative whose top-secret work required him to be out of the office for long periods of time—including one stretch that lasted 18 months. Sometimes Beale claimed to be in Pakistan. Other times he claimed to be at CIA HQ in Langley. In reality, the agency's top climate-change expert spent most of his time puttering around his Northern Virginia home or at his vacation house on the Cape, collecting his salary (plus bonuses!) while doing zero work. To break the monotony, he would take deluxe personal trips, on the EPA's dime, of course, running up fat tabs for first-class airfare, limos, and five-star hotels.

How long did this fraud go on? Hard to say. Two decades, maybe longer. Beale resigned in April, after learning that he was under federal investigation. Court documents trace his shenanigans back through 2000. In its probe, however, the EPA's inspector general turned up evidence that Beale had been making (unrelated) stuff up since 1989. For his part, Beale reportedly told the IG's office that he started spinning spy stories in 1994 out of boredom and a need for attention. (From 1990 to 1993, Beale worked to reauthorize the Clean Air Act; afterward, he claimed, regular office life lacked a certain snap, crackle, pop—which he sought to recapture with his 007 fantasies.) At the time of his resignation, Beale was the EPA's highest-paid employee. In September, he pleaded guilty to stealing nearly \$1 million in salary and other perks from the government. He is scheduled for sentencing Wednesday in Washington. Prosecutors would like to see him spend somewhere in the neighborhood of three years behind bars.

At this point, the question everyone wants answered—most notably, the two congressional committees investigating the matter—is how the hell did Beale get away with this for so long? Clearly, the EPA missed a few red flags along the way. Even if we politely decline to ask why none of Beale's supervisors bothered to confirm his CIA connection or even determine whether he had any sort of security clearance (he did not), what about all those eye-popping expense reports he was filing? (In its extensive coverage of the scandal, The Washington Post has noted that the EPA failed at such basics as comparing "Beale's travel vouchers, which said he was in places such as Boston and Seattle, with hotel receipts for the same dates that showed

him in Bakersfield, Calif., where he has family.”) What maniac was clearing Beale’s reports, and on what grounds? (The IG is said to be looking into the matter.)

Add to this the fact that, at some point a few years back, Beale’s retention bonuses pushed his pay above the legal limit. Agency officials were notified in 2010 but did nothing to fix the problem. Indeed, the agency was so lax in its oversight that Beale ostensibly retired in September 2011—complete with a farewell dinner cruise on the Potomac—only to continue pulling a paycheck for another 19 months. Ultimately, it was this phony retirement that brought him down when, in March 2012, now-EPA chief Gina McCarthy, formerly Beale’s direct boss, discovered that the guy was still on the payroll six months after the retirement party she herself had attended. She requested an inquiry, which took another few months to get rolling.

All things considered, it’s hard to fault Sen. David Vitter, ranking Republican on the Environment and Public Works Committee, for having grumped: “I don’t care how manipulative the individual was, somebody at the agency had to approve and sign off on leave, travel, salary and bonuses. This clearly shows some severe mismanagement problems at the EPA, and my guess is that it’s just the tip of the iceberg.”

For its part, the EPA’s official statement on the matter notes: “John Beale is a convicted felon who went to great lengths to deceive and defraud the U.S. government over the span of more than a decade. Since learning of the fraud, which was uncovered by Administrator McCarthy during her time as head of the Office of Air and Radiation, EPA has worked in coordination with its Inspector General and the U.S. Attorney’s office. The Agency has also put in place additional safeguards to help protect against fraud and abuse related to employee time and attendance, including strengthening supervisory controls of time and attendance, improved review of employee travel and a tightened retention incentive processes.”

To be fair, the EPA is not unusual in its vulnerability to employee fraud. “Most companies have controls in place to prevent it, but they don’t do anything about it,” says Bruce Dorris, a vice president at the Association of Certified Fraud Examiners. “When expense reports come in, nobody verifies them. Or nobody reconciles checks with invoices.” Organizations most commonly get burned by “simply a failure to monitor,” he says.

And veteran employees often are subjected to less scrutiny than new ones, he notes. “Companies many times are like, ‘Oh, nobody’s going to steal from me. He or she has been working for me for 20 years.’ That’s when it happens,” says Dorris, whose group trains fraud examiners and works directly with organizations to help prevent and detect fraud. “Once we become relaxed, then we open ourselves up for fraud.”

Dorris says that most “fraudsters” start small and then, as they get comfortable with how the system works and how to game it, take bigger and bigger risks. “There are no small frauds,” he asserts, “just ones that haven’t reached their maturity yet.”

No question, Beale’s fraud attained quite an impressive maturity. The guy didn’t just lie, he lied big—even for seemingly petty advantages. For years, he claimed to be suffering from malaria (not true) that he contracted while serving in Vietnam (never happened) in order to score a handicapped parking permit. While you’d think the outrageousness of Beale’s fraud would make exposure more likely, it may have helped him perpetuate it.

You gotta admit: As crackpot lies go, Beale’s spy cover was a stroke of genius. “We all expect people to lie about everyday things,” says writer and consultant Gini Graham

Scott, author of *The Truth About Lying*. But most people don't expect someone to lie "on such a massive scale." Maintaining such an elaborate, extended deception becomes quite complicated, says Scott, who is now at work on a book about sociopathic liars. Unsurprisingly, she notes, one of the things that liars of Beale's magnitude tend to be good at is "manipulating people. Also, if they're caught in a lie, they're good at coming up with an explanation to get out of it."

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In the case of Beale's fabulism, bigger really was better. At least, that is, until it landed him in federal court. But, hell, it took them 20 years to catch him. Just think of all the fun he had in the meantime. And really, if he hadn't gotten greedy and kept cashing those checks even after he so publicly retired, who's to say they'd have ever busted him?

Just something to think about before you hit that snooze button tomorrow.

From: Alisha Johnson <alisharjohnson@gmail.com>

Sent: Wednesday, December 18, 2013 6:58:40 AM

To: Johnson, Alisha

Subject:

The EPA's Million-Dollar Con Man

By Michelle Cottle

December 18th 2013 5:45 AM

[More Stories by Michelle Cottle](#)

John C. Beale faces sentencing Wednesday, but the sheer outrageousness of his fraud—pretending to be a CIA agent to skip work—may have helped him perpetuate it for two decades.

Let's say you wake up tomorrow morning

and really don't want to go to work. You're not sick. You're not depressed. You're not hungover. You just cannot bear the thought of showering, shaving, and schlepping into the office to spend eight-plus hours doing more or less the same exact crap that you did yesterday and the day before and the day before that. So what do you do? Take a personal day? Fake the flu? Hit snooze and spend the next half-hour fantasizing about running away to Key West?

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How long did this fraud go on? Hard to say. Two decades, maybe longer. Beale resigned in April, after learning that he was under federal investigation. Court documents trace his shenanigans back through 2000. In its probe, however, the EPA's inspector general turned up evidence that Beale had been making (unrelated) stuff up since 1989. For his part, Beale reportedly told the IG's office that he started spinning spy stories in 1994 out of boredom and a need for attention. (From 1990 to 1993, Beale worked to reauthorize the

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At this point, the question everyone wants answered—most notably, the two congressional committees investigating the matter—is *how the hell did Beale get away with this for so long?* Clearly, the EPA missed a few red flags along the way. Even if we politely decline to ask why none of Beale’s supervisors bothered to confirm his CIA connection or even determine whether he had any sort of security clearance (he

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Add to this the fact that, at some point a few years back, Beale’s retention bonuses pushed his pay above the legal limit. Agency officials were notified in 2010 but did nothing to fix the problem. Indeed, the agency was so lax in its oversight that Beale ostensibly retired in September 2011—complete with a farewell dinner cruise on the Potomac—only to continue pulling a paycheck for another 19 months.

Ultimately, it was this phony retirement that brought him down when, in March 2012, now-EPA chief Gina McCarthy, formerly Beale's direct boss, discovered that the guy was still on the payroll six months after the retirement party she herself had attended. She requested an inquiry, which took another few months to get rolling.

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To: Reynolds, Thomas[Reynolds.Thomas@epa.gov]
From: Johnson, Alisha
Sent: Thur 12/12/2013 10:56:47 PM
Subject: RE: E&E: EPA: No criminal probe of former Beale colleague -- IG

Yep

-----Original Message-----

From: Reynolds, Thomas
Sent: Thursday, December 12, 2013 5:56 PM
To: Johnson, Alisha
Subject: Re: E&E: EPA: No criminal probe of former Beale colleague -- IG

Sned this to your core list as an in case you missed it.

From: Johnson, Alisha
Sent: Friday, December 13, 2013 2:26:38 AM
To: Garbow, Avi; Reynolds, Thomas; Minoli, Kevin; Vaught, Laura; Keyes-Fleming, Gwendolyn; Bloomgren, David
Subject: E&E: EPA: No criminal probe of former Beale colleague -- IG

EPA: No criminal probe of former Beale colleague -- IG Robin Bravender, E&E reporter
Published: Thursday, December 12, 2013
U.S. EPA's internal watchdog is not pursuing a criminal investigation of an agency employee who signed off on John Beale's fraudulent travel plans, the Office of Inspector General said today.

"There are no criminal investigations related to the Beale case that are ongoing of EPA employees," OIG spokesman Jeff Lagda said.

That statement contradicts a Washington Post report published yesterday saying the inspector general was reviewing the activity of another high-level EPA official who approved Beale's lavish travel plans to determine whether to forward the case for possible prosecution. The newspaper's report cited congressional aides briefed on the matter.

"That's an erroneous statement," Lagda said.

"However," he added, "there is an ongoing administrative investigation related to the Beale case."

Advertisement

Beale, a former senior official in EPA's air office, is due for sentencing Wednesday in a criminal case. He has admitted to stealing salary and benefits he didn't earn as he lied for more than a decade about taking time off to do secret CIA work.

EPA's former deputy assistant administrator in the air office is the subject of inquiries in that ongoing investigation. The OIG's latest report faulted the deputy air chief (a peer to Beale) with failing to raise questions about his exorbitant travel expenses and quoted that person saying it was "hard to question Beale's behavior and travel expenses when it was supported by another senior executive," according to a draft obtained by E&E (E&ENews PM, Dec. 11).

Senate Environment and Public Works Committee ranking member David Vitter (R-La.) released IG reports on Beale's travel and pay issues today.

Elizabeth Craig is a career official who served as deputy assistant administrator in the air office for

several years under both Republican and Democratic administrations. She is thought to be the person referred to in the OIG report, although the office would not comment on whether she was being investigated. Craig is still an EPA employee; she is now the director of the Climate Protection Partnerships Division in the air office.

A congressional aide briefed on the inspector general's report said Craig is being looked at by the OIG and is the person referred to in the inspector general's report. The aide said she's being investigated along with Beale and Robert Brenner, another former EPA air official who has been subject to congressional inquiries (Greenwire, Oct. 1).

Emails between Beale and Craig recently released by EPA indicated he may have been lying to her about his whereabouts (Greenwire, Nov. 27).

Beale wrote to then-deputy air chief Craig at 3:46 a.m. on April 29, 2010, that he "Just got freed up from the 'bat cage.'" He added, "Going home for a few hours sleep. Will come into EPA latter this morning." (Spelling is faithful to the emails.)

Craig followed up around 11:30 a.m., asking if he wanted to talk then or later in the day. Beale's response at 12:18 p.m.: "Sorry Beth. Got 3 hours sleep and then called back out here. Its a mess. Hope to finally finish this in next 24 hours and get to EPA tomorrow. Will keep you posted."

Beale sent another email to Craig and his assistant the next day at 6:21 a.m. "Finally done. Really ... heading home for a few hours ... be in this morning." He emailed Craig around 10:30 that morning to tell her he had finally arrived at the office.

To: Behringer, Caroline[Behringer.Caroline@epa.gov]; Bond, Brian[Bond.Brian@epa.gov]; Perry, Dale[Perry.Dale@epa.gov]; Owens, Stephanie[Owens.Stephanie@epa.gov]; Ealons, Dru[Ealons.Dru@epa.gov]; Cohen, David[Cohen.David@epa.gov]; Bloomgren, David[Bloomgren.David@epa.gov]; Rivas-Vazquez, Victoria[Rivas-Vazquez.Victoria@epa.gov]; Johnson, Alisha[Johnson.Alisha@epa.gov]; Delp, Robert[Delp.Robert@epa.gov]; Belknap, Andra[Belknap.Andra@epa.gov]; Reynolds, Thomas[Reynolds.Thomas@epa.gov]; Jones, Enesta[Jones.Enesta@epa.gov]; Valentine, Julia[Valentine.Julia@epa.gov]

From: Behringer, Caroline

Sent: Fri 8/23/2013 9:16:58 PM

Subject: Hot Issues - 8/23

[Alaska Advisory Draft 8.21.13.docx](#)

[FINAL Ammonia final crit desk statement.docx](#)

[FINAL MotorScience pr.doc](#)

[FINAL Health Benchmarks for Pesticides \(2\).docx](#)

[DRAFT OM Press Release New Climate Change Videos V2.docx](#)

[FINAL Formaldehyde desk statement.docx](#)

[FINAL SPCC desk statement.docx](#)

[ECA PR 8 21 13 OAR \(clean\).docx](#)

[Carnival Roll Out 8 21 13 OAR \(2\).docx](#)

Thanks to Enesta for her enormous help doing hot issues this week! Here's her final contribution for your weekend enjoyment:

My last one; Cohen returns to the Hot Wheel on Monday!

Developing:

An indictment is being handed out today to former EPA official, John Beale, for alleged fraud. AP and trades are inquiring. Alisha's handling all inquiries and referring reporters to DOJ.

Week of August 26:

RELEASE: CAA enforcement settlement for illegal importation of off-road vehicles (**Final release attached**)

RELEASE: EPA, OSHA and ATF update chemical advisory after West, Texas for safer management of ammonium nitrate (**Draft release attached**)

Monday:

RELEASE: Green Sports Alliance Summit Solutions Roundtable, NYC: A Breath of Fresh Air for Athletes, Fans and Staff: Innovations in green cleaning (**Final release attached**)

RELEASE: EPA Releases New Climate Change Video Series (**Final release attached**)

STATEMENT: EPA expects to release final IRIS assessment for biphenyl (**Draft communications plan attached**)

Tuesday:

STATEMENT: Proposed Decision to Register Nanosilva (**Final statement attached**)

Thursday:

STATEMENT: Draft Stormwater Multi-Sector General Permit (**Draft statement attached**)

STATEMENT: Preparing for Climate Change: A Workbook for Developing Risk-Based Adaptation Plans (**No materials yet**)

9/4:

BRIEF: Preliminary agreement that allows Carnival to upgrade emission systems. Will also include interview with Baltimore Sun. **(Draft materials attached)**

RELEASE: EPA Releases Document to Encourage Revitalization in Auto Communities **(Draft release attached)**

9/5:

RELEASE: New online mapping resource for Environmental Impact Statements **(Draft release attached)**

Caroline Behringer

Deputy Press Secretary

Office of the Administrator

U.S. Environmental Protection Agency

Office: (202) 564-0098

Cell: (202) 760-1732

To: Reynolds, Thomas[Reynolds.Thomas@epa.gov]
Cc: Bloomgren, David[Bloomgren.David@epa.gov]
From: Johnson, Alisha
Sent: Wed 12/11/2013 8:31:21 PM
Subject: RE: Post on Beale/EPA

Checking back in on this. Deadline is 5 p.m. to get in the paper.

From: Johnson, Alisha
Sent: Wednesday, December 11, 2013 12:34 PM
To: Reynolds, Thomas
Cc: Bloomgren, David
Subject: RE: Post on Beale/EPA

Lenny says he didn't receive the statement last night and when I checked my bberry it looked like a number of e-mails didn't go through. I re-sent statement and corrective action report to him early this a.m., but he is not inclined to update with a statement he has already used and he wants us to address the specific allegations in the IG report. He is writing again tonight based on Beale's filing for leniency in court. What we need to address with him (and I assume others will be asking soon as well) is why the delay in resolving the issue, the employee in OGC that refused to participate in the IG interview and why HR told Gina not to do anything. There is more back story on both that I can share over the phone. OGC has provided input on the statements below, which I recommend sharing with our previous statement as intro. I think what we say there is still relevant and the bottom line on all of this. We will need to get her input on these as well.

Ex. 5 - Deliberative Process

Beale's pay cap and retention incentive and do not indicate that anyone at the EPA at that time thought Mr. Beale's actions were fraudulent. Over the last year, the EPA has made numerous changes to Agency controls to prevent a fraud like this from occurring again and the IG's own report details 11 steps the agency has already taken or plans to take in the very near future.

Ex. 5 - Deliberative Process

From: Reynolds, Thomas
Sent: Wednesday, December 11, 2013 10:38 AM
To: Johnson, Alisha
Subject: Re: Post on Beale/EPA

Not yet.
What did Lenny say? Why no stmt from us?

From: Johnson, Alisha
Sent: Wednesday, December 11, 2013 11:02:32 PM
To: Reynolds, Thomas
Subject: RE: Post on Beale/EPA

Has Gina seen?

From: Johnson, Alisha
Sent: Wednesday, December 11, 2013 7:24 AM
To: Reynolds, Thomas
Subject: Fw: Post on Beale/EPA

Sent Bernstein our statement. Contacting him now to see why he didn't run it.

From: Cohen, David
Sent: Wednesday, December 11, 2013 6:26:53 AM
To: Reynolds, Thomas; Johnson, Alisha; Behringer, Caroline; Bloomgren, David; Belknap, Andra; Smith, Roxanne
Cc: AO OEAAE MEDIA RELATIONS
Subject: Post on Beale/EPA

From: Dave Cohen <cohen1207@verizon.net>
Sent: Wednesday, December 11, 2013 6:21:45 AM
To: Cohen, David
Subject: Post on Beale/EPA

EPA warned of ex-official's illegal salary, bonuses in 2010, watchdog report says

By Lenny Bernstein, Published: TUESDAY, DECEMBER 10, 8:48 PM ET

The Environmental Protection Agency was warned as early as July 2010 that a senior executive who claimed to be a CIA agent was collecting pay and bonuses not allowed by law but took no action for years, according to a new report from the agency's inspector general.

Auditors warned EPA administrators that continuing "retention bonuses" for John C. Beale, which were not authorized, had pushed his salary above the legal maximum, according to the report, obtained Tuesday by The Washington Post.

In July 2010, the EPA's human resources office contacted Beale's Office of Air and Radiation with a document it had prepared titled "John Beale Pay Issues," according to the report. The head of Beale's department was Gina McCarthy, who is now the head of the EPA. The report does not make clear whether the document was given to her.

A code on Beale's timecard, approved by the Office of Personnel Management, initially allowed his salary to exceed legal limits.

On Jan. 12, 2011, the EPA's Office of General Counsel warned McCarthy's staff to "stop retention bonus pay," and McCarthy was asked to inform Beale, according to the report. But on April 2, 2012, McCarthy "confirmed no actions taken on retention bonus due to advice" from the head of the human resources department, according to the report.

Beale's bonus was not canceled until Feb. 5, 2013. He was forced to retire in April, when his base salary was \$164,000. He will collect his pension.

Beale, who pleaded guilty in September to stealing nearly \$900,000 in government pay and bonuses, is scheduled to be sentenced in federal court Dec. 18. In court papers filed this week, his attorney, John W. Kern, asked for jail time at the "low end" of the 30 to 37 months that Beale faces under federal sentencing guidelines. Beale has agreed to pay more than \$1.3 million in restitution and forfeiture as part of the plea deal.

Top EPA officials have told investigators that they believed Beale's story that he was working as a clandestine officer for the CIA and did not question his exorbitant hotel and first-class airfare bills or the bonuses he collected. The scheme began in 1994.

Sen. David Vitter (R-La.), who has been pressing the investigation, said of the report: "I don't care how manipulative the individual was, somebody at the agency had to approve and sign off on leave, travel, salary and bonuses. This clearly shows some severe mismanagement problems at the EPA, and my guess is that it's just the tip of the iceberg."

An e-mail to an EPA spokeswoman Tuesday night was not returned. Kern did not return a message left on his cellphone.

An Oct. 1 congressional hearing into how Beale stole the money revealed that a second high-

level EPA executive, Robert Brenner, a longtime friend of Beale's, accepted an \$8,000 discount on a Mercedes-Benz allegedly arranged by a lobbyist who did business with the EPA. The Justice Department's Office of Public Integrity declined to bring charges against Brenner, according to testimony that day.

Another part of the new report notes that an attorney in the EPA's Office of General Counsel "involved with the Beale matter declined to be interviewed as part of this request as is required under . . . the Inspector General Act."

As a result, the inspector general was "limited in our ability to determine OGC's involvement in, knowledge of and actions related to the Beale matter," the report says.

The Post previously reported that in 2012, McCarthy notified the EPA general counsel's office about her suspicions. That office, in turn, notified the EPA's Office of Homeland Security, which has no investigative authority, delaying the inspector general's probe for months.

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Sent: Wednesday, December 11, 2013 11:02:32 PM
To: Reynolds, Thomas
Subject: RE: Post on Beale/EPA

Has Gina seen?

From: Johnson, Alisha
Sent: Wednesday, December 11, 2013 7:24 AM
To: Reynolds, Thomas
Subject: Fw: Post on Beale/EPA

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From: Cohen, David
Sent: Wednesday, December 11, 2013 6:26:53 AM
To: Reynolds, Thomas; Johnson, Alisha; Behringer, Caroline; Bloomgren, David; Belknap, Andra; Smith, Roxanne
Cc: AO OEAAE MEDIA RELATIONS
Subject: Post on Beale/EPA

From: Dave Cohen <cohen1207@verizon.net>
Sent: Wednesday, December 11, 2013 6:21:45 AM
To: Cohen, David
Subject: Post on Beale/EPA

EPA warned of ex-official's illegal salary, bonuses in 2010, watchdog report says

By Lenny Bernstein, Published: TUESDAY, DECEMBER 10, 8:48 PM ET

__ Aa

The Environmental Protection Agency was warned as early as July 2010 that a senior executive who claimed to be a CIA agent was collecting pay and bonuses not allowed by law but took no action for years, according to a new report from the agency's inspector general.

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To: Fritz, Matthew[Fritz.Matthew@epa.gov]; Reynolds, Thomas[Reynolds.Thomas@epa.gov];
Vaught, Laura[Vaught.Laura@epa.gov]
Cc: KeyesFleming, Gwen[KeyesFleming.Gwendolyn@epa.gov]; Deputy
Administrator[62Perciasepe.Bob73@epa.gov]
From: Reeder, John
Sent: Fri 9/27/2013 5:54:29 PM
Subject: John Beale - press release just went out
Beale, John 9-27-13.pdf

FYI.

I don't get why DOJ put all sorts of Elkins quotes and apparently never asked for Agency comment. You could never tell from this press release that the **Agency** discovered this problem and did the right thing and helped in every possible way to build the case against Beale.



U.S. Department of Justice

Ronald C. Machen Jr.
*United States Attorney for the
District of Columbia*
Judiciary Center
555 Fourth St. N.W.
Washington, D.C. 20530

PRESS RELEASE

FOR IMMEDIATE RELEASE

Friday, September 27, 2013

For Information Contact:

Public Affairs

(202) 252-6933

<http://www.justice.gov/usao/dc/index.html>

Former EPA Senior Policy Advisor Pleads Guilty To Theft in Scheme That Cost Government Nearly \$900,000 -Admits Collecting Pay For Hundreds of Days He Wasn't Working-

WASHINGTON – John C. Beale, a former senior policy advisor for the U.S. Environmental Protection Agency, pled guilty today to a federal charge stemming from a long-running scheme in which he cheated the government of nearly \$900,000 in pay and expenses.

The guilty plea, in the U.S. District Court for the District of Columbia, was announced by U.S. Attorney Ronald C. Machen Jr. and Arthur A. Elkins, Jr., Inspector General for the EPA.

Among other things, Beale admitted today that he kept collecting pay from the EPA after claiming he was working on a project for the CIA's Directorate of Operations and on other efforts that kept him out of the office. In fact, Beale was not working for the CIA or for the EPA on the many days he was away. All told, between January 2000 and April 2013, Beale was absent from his duties at the EPA for about 2 ½ years in which he was drawing a salary and benefits.

For more than a dozen years, Beale engaged in a pattern and scheme of deception during which he lied to the U.S. government, his supervisors, friends, and his family to avoid performing his job at the EPA.

Beale, 64, of New York, N.Y., pled guilty to theft of government property, which carries a statutory maximum of 10 years in prison, a fine of up to \$250,000, and other penalties. The parties have agreed that, under federal sentencing guidelines, the likely range is a prison sentence of 30 to 37 months and a fine of up to \$60,000. In addition, Beale has agreed to pay a total of \$886,186 to the EPA in restitution and to a forfeiture money judgment of another \$507,207.

The plea took place before the Honorable Magistrate Judge John M. Facciola. Beale is to appear Oct. 9, 2013 for a status hearing before the Honorable Ellen S. Huvelle. A sentencing date has not yet been set.

“John Beale stole from the government for more than a decade by telling lies of outlandish proportions,” said U.S. Attorney Machen. “He dodged his work at the EPA for extended periods by claiming that he was away working on operations for the CIA. He even got a parking space for three years by falsely claiming that he had malaria. Today’s guilty plea is proof positive that lies do catch up with you and that eventually fraudsters will be held accountable for ripping off the American taxpayer.”

“The details of this remarkable story are unfathomable -- and yet they happened. An absence of even basic internal controls at the EPA allowed an individual to commit multiple frauds over a long period of time,” said Inspector General Elkins. “Thanks to the diligence of the special agents on this case, monetary restitution finally will be paid to the taxpayers. Hopefully, exposing the lax agency practices that enabled Mr. Beale to construct and prosper from a web of lies also will lead to swift reforms so such abuses can never recur.”

**

According to a statement of offense, signed by the defendant as well as the government, Beale was employed by the EPA from 1989 until April 30, 2013. He was assigned to the Office of Air and Radiation, a division responsible for the development of national programs, policies and regulations designed to control air pollution and radiation exposure. For much of his time at the EPA, Beale was a senior policy advisor. His duties included assisting in the planning, policy implementation, direction, and control of EPA programs. He also attended and participated in several international conferences regarding air quality issues, many in foreign countries.

In August 2000, Beale was promoted to a senior-level employee, making him among the highest-paid non-elected federal government employees.

According to the statement of offense, Beale collected \$886,186 that he was not entitled to receive in various ways:

Unauthorized Absences:

From in or around 2000, continuing until April 30, 2013, Beale failed to report to work for extended periods of time and failed to submit required requests for leave for these absences. Rather, Beale falsely claimed that he was working on a project at the CIA and other matters.

According to the statement of offense, starting in approximately 2000 until in or around June 2008, Beale took about 102 days off under the auspices of his work with the CIA. From 2005 to 2007, Beale claimed to be working on a research project for the EPA. For example, the statement of offense details payments of \$57,235 in travel expenses for five trips to the Los Angeles area. Beale did not need to travel to California, where he visited family members, and

could have done the research work at home or at his EPA office. In fact, he never produced any written work regarding the research project, which was never completed.

Starting in June 2008, Beale failed to report to the EPA offices for about six months, either claiming to be working on the research project or spending time working for “Langley.” He never submitted a leave request for this time and continued to receive his EPA salary.

From in or around January 2010 until in or around May 2011, Beale failed to report to work at the EPA for approximately nine days, claiming he was working with the CIA. He never submitted a leave request for these days, but was paid his salary from the EPA.

In or around May 2011, Beale announced that he was retiring from the EPA. In September 2011, he and two other long-term EPA employees celebrated a retirement party on a dinner cruise on the Potomac River. Following the party, an EPA manager believed that Beale had actually retired, and the manager did not see him at the EPA offices afterward.

However, in November 2012, the manager discovered that Beale was still receiving a paycheck.

Retention Incentive Bonus:

In or around June 2000, Beale was awarded a 25 percent retention incentive bonus for three years. The purpose of the bonus was to ensure that Beale remained with the EPA, rather than leave the federal government and seek employment elsewhere. It was supposed to expire after 2003, but Beale continued to receive it through 2013.

Fraudulently Obtained Parking Benefits:

In or around January 2002, Beale claimed that, because he had contracted malaria while serving in the U.S. Army in Vietnam, he needed a parking space for work. He was awarded a parking spot, and the EPA subsidized payment for it at a rate of about \$200 a month. In fact, Beale never served in Vietnam and never contracted malaria. He held onto and used the parking spot until about June 2005, at a cost of about \$8,000 to the EPA.

**

In announcing the plea, U.S. Attorney Machen and Inspector General Elkins praised the work of those who investigated the case from the EPA Office of the Inspector General. They also acknowledged the work of those who handled the case for the U.S. Attorney’s Office, including Paralegal Specialist Donna Galindo. Finally, they commended the work of Assistant U.S. Attorney James E. Smith, who is prosecuting the case, and Assistant U.S. Attorney Catherine K. Connelly, who is assisting with forfeiture aspects of the investigation.

13-339

##

To: Reynolds, Thomas[Reynolds.Thomas@epa.gov]
From: Johnson, Alisha
Sent: Wed 12/11/2013 3:40:17 PM
Subject: RE: Post on Beale/EPA

Are you able to chat? I'm at my desk for the next 20 mins. If not, I can email.

From: Reynolds, Thomas
Sent: Wednesday, December 11, 2013 10:38 AM
To: Johnson, Alisha
Subject: Re: Post on Beale/EPA

Not yet.
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Top EPA officials have told investigators that they believed Beale's story that he was working as a clandestine officer for the CIA and did not question his exorbitant hotel and first-class airfare bills or the bonuses he collected. The scheme began in 1994.

Sen. David Vitter (R-La.), who has been pressing the investigation, said of the report: "I don't care how manipulative the individual was, somebody at the agency had to approve and sign off on leave, travel, salary and bonuses. This clearly shows some severe mismanagement problems at the EPA, and my guess is that it's just the tip of the iceberg."

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To: Reynolds, Thomas[Reynolds.Thomas@epa.gov]
From: Adm13McCarthy, Gina
Sent: Thur 12/5/2013 7:54:35 PM
Subject: RE: Beale and NBC Nightly News

Can we connect on this? Thanks

From: Reynolds, Thomas
Sent: Thursday, December 05, 2013 12:48 PM
To: Adm13McCarthy, Gina; Deputy Administrator; Keyes-Fleming, Gwendolyn; Fritz, Matthew; Garbow, Avi; Minoli, Kevin
Cc: Johnson, Alisha
Subject: Beale and NBC Nightly News

Michael Isikoff with NBC is planning an in-depth story for NBC Nightly News next week on John Beale. In light of the two IG reports expected next week, and his sentencing the following week, Isikoff is looking to reconstruct what happened leading up to Beale's retirement. He has requested an interview with the Administrator, as he plans to focus on her role as Beale's manager and her work to uncover the fraud. He has reached out to a number of others for interviews as well, including the IG's office, Rob Brenner and Beale's wife. Timing is still undetermined, but he expects the story to run next Wednesday or Thursday evening.

We are preparing a statement for him consistent with what we have said up to this point, outlining that this is an individual who went out of his way to deceive and defraud the federal government. Our statement will also highlight that we have worked closely with the U.S. Attorney's office and the IG since uncovering the fraud.

Please let me know if you have any additional questions.

To: Reynolds, Thomas[Reynolds.Thomas@epa.gov]
From: Johnson, Alisha
Sent: Thur 12/5/2013 5:07:01 PM
Subject: Memo on NBC Nightly News

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This reporter can be quite tenacious and difficult. We are preparing a statement for him consistent with what we have said up to this point, outlining that this is an individual who went out of his way to deceive and defraud the federal government. Our statement will also highlight that we have worked closely with the U.S. Attorney's office and the IG since uncovering the fraud.

Please let me know if you have any additional questions.

To: Reynolds, Thomas[Reynolds.Thomas@epa.gov]
From: Johnson, Alisha
Sent: Fri 11/15/2013 7:19:03 PM
Subject: RE: interview request

Will do.

From: Reynolds, Thomas
Sent: Friday, November 15, 2013 2:18 PM
To: Johnson, Alisha
Subject: RE: interview request

Need to add in here that Gina was the one that uncovered it

From: Johnson, Alisha
Sent: Friday, November 15, 2013 10:19 AM
To: Reynolds, Thomas
Subject: FW: interview request

Statement I'd like to attribute to Gina for this:

This is a convicted felon who went to great lengths to deceive and defraud the U.S. government. Since learning of the fraud, EPA has worked in coordination with its inspector General and the U.S. Attorney's office. The Agency has also put in place additional safeguards to help protect against fraud and abuse related to employee time and attendance, including strengthening supervisory controls of time and attendance, improved review of employee travel and a tightened retention incentive processes.

From: Svati Narula [<mailto:snarula@theatlantic.com>]
Sent: Friday, November 15, 2013 9:03 AM
To: Johnson, Alisha
Subject: Re: interview request

Alisha,

Just checking in to see where we are with my interview request. I just need 15 minutes of McCarthy's time.

Thanks again,

Svati

On Thu, Nov 7, 2013 at 2:13 PM, Svati Narula <snarula@theatlantic.com> wrote:

Alisha,

My deadline is December 1.

Thanks,

Svati

On Thu, Nov 7, 2013 at 2:09 PM, Johnson, Alisha <Johnson.Alisha@epa.gov> wrote:

Hi there,
When is your deadline?

From: Svati Narula <snarula@theatlantic.com>
Sent: Wednesday, November 06, 2013 10:44:37 AM
To: Johnson, Alisha
Subject: Re: interview request

Alisha,

Thanks for your quick reply! I'm writing about the John Beale investigation, and would like to hear Gina's version of the story. If she's not willing to say much, then 10-15 minutes would be sufficient, I guess, but ideally we could speak for half an hour.

Thanks again,

Svati

On Wed, Nov 6, 2013 at 10:37 AM, Johnson, Alisha <Johnson.Alisha@epa.gov> wrote:

Hi Svati,
Thanks for reaching out. Happy to look into this for you. Can you give me a few more details on topics you'd like to cover? Also, how much time would you be looking for?

From: Svati Narula <snarula@theatlantic.com>
Sent: Wednesday, November 06, 2013 10:33:53 AM
To: Johnson, Alisha
Subject: interview request

Dear Alisha,

I'm a writer at *The Atlantic* magazine here in D.C., and I'm hoping to speak to Gina McCarthy for a story about the EPA.

Is it possible to arrange an interview with her before November 15th?

Thank you,

Svati Narula

202-266-7110

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To: Johnson, Alisha
Subject: Re: interview request

Alisha,

Just checking in to see where we are with my interview request. I just need 15 minutes of McCarthy's time.

Thanks again,

Svati

On Thu, Nov 7, 2013 at 2:13 PM, Svati Narula <snarula@theatlantic.com> wrote:

Alisha,

My deadline is December 1.

Thanks,

Svati

On Thu, Nov 7, 2013 at 2:09 PM, Johnson, Alisha <Johnson.Alisha@epa.gov> wrote:

Hi there,
When is your deadline?

From: Svati Narula <snarula@theatlantic.com>
Sent: Wednesday, November 06, 2013 10:44:37 AM
To: Johnson, Alisha
Subject: Re: interview request

Alisha,

Thanks for your quick reply! I'm writing about the John Beale investigation, and would like to hear Gina's version of the story. If she's not willing to say much, then 10-15 minutes would be sufficient, I guess, but ideally we could speak for half an hour.

Thanks again,

Svati

On Wed, Nov 6, 2013 at 10:37 AM, Johnson, Alisha <Johnson.Alisha@epa.gov> wrote:

Hi Svati,
Thanks for reaching out. Happy to look into this for you. Can you give me a few more details on topics you'd like to cover? Also, how much time would you be looking for?

From: Svati Narula <snarula@theatlantic.com>
Sent: Wednesday, November 06, 2013 10:33:53 AM
To: Johnson, Alisha

Subject: interview request

Dear Alisha,

I'm a writer at *The Atlantic* magazine here in D.C., and I'm hoping to speak to Gina McCarthy for a story about the EPA.

Is it possible to arrange an interview with her before November 15th?

Thank you,

Svati Narula

202-266-7110

To: Garbow, Avi[Garbow.Avi@epa.gov]; Vaught, Laura[Vaught.Laura@epa.gov]; Adm13McCarthy, Gina[Adm13McCarthy.Gina@epa.gov]; Keyes-Fleming, Gwendolyn[keyesfleming.gwendolyn@epa.gov]; Deputy Administrator[62Perciasepe.Bob73@epa.gov]
Cc: Johnson, Alisha[Johnson.Alisha@epa.gov]
From: Reynolds, Thomas
Sent: Wed 12/18/2013 7:28:09 PM
Subject: RE: EPA stmt on Beale sentencing

We commend the U.S. Attorneys Office and the EPA's Office of Inspector General for their efforts in working to secure today's conviction. Since uncovering John Beale's deliberate deception and fraud, stretching back over a decade, EPA has worked in close coordination with both parties and continues to take actions that establish additional safeguards to help protect against further fraud and abuse related to employee time and attendance, including strengthening supervisory controls of time and attendance, improved review of employee travel and a tightened retention incentive processes.

From: Garbow, Avi
Sent: Wednesday, December 18, 2013 1:52 PM
To: Reynolds, Thomas; Vaught, Laura; Adm13McCarthy, Gina; Keyes-Fleming, Gwendolyn; Deputy Administrator
Subject: Re: EPA stmt on Beale sentencing

Might want to broaden to make clear that actions we have taken/are taking address more than time and attendance issues (see your last sentence).

From: Reynolds, Thomas
Sent: Wednesday, December 18, 2013 1:37:20 PM
To: Vaught, Laura; Adm13McCarthy, Gina; Keyes-Fleming, Gwendolyn; Deputy Administrator; Garbow, Avi
Subject: EPA stmt on Beale sentencing

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From: Vaught, Laura

Sent: Wednesday, December 18, 2013 1:32 PM

To: Adm13McCarthy, Gina; Keyes-Fleming, Gwendolyn; Reynolds, Thomas; Deputy Administrator; Garbow, Avi

Subject: Just fyi

Senator Boxer's Statement on Beale Sentencing and EPA's IG Ongoing Investigation

December 18, 2013

Washington, D.C. - U.S. Senator Barbara Boxer (D-CA), Chairman of the Environment and Public Works Committee, issued the following statement after John Beale, a former career employee at the Environmental Protection Agency (EPA) who pleaded guilty in September to theft of government property that occurred during multiple Administrations, was sentenced today to 32 months in federal prison.

Senator Boxer said: "**I commend the EPA Administrator for taking steps to shine a light on the actions of this rogue employee, and her actions helped uncover his crimes. The sentence handed down by the judge today is appropriate given Mr. Beale's outrageous activities. EPA has already put safeguards in place to prevent fraud and deception from happening in the future. Once the EPA Inspector General's investigation has been completed, I am confident that EPA will implement any additional measures necessary to ensure that this does not happen again. The Obama Administration's Department of Justice is also making sure that the American taxpayers will be reimbursed.**"

###

To: Garbow, Avi[Garbow.Avi@epa.gov]
From: Reynolds, Thomas
Sent: Wed 12/18/2013 6:58:25 PM
Subject: RE: EPA stmt on Beale sentencing

Good idea. Will do

Fyi all these reporters have gotten the corrective action report already as well

From: Garbow, Avi
Sent: Wednesday, December 18, 2013 1:52 PM
To: Reynolds, Thomas; Vaught, Laura; Adm13McCarthy, Gina; Keyes-Fleming, Gwendolyn; Deputy Administrator
Subject: Re: EPA stmt on Beale sentencing

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To: Johnson, Alisha[Johnson.Alisha@epa.gov]
From: Reynolds, Thomas
Sent: Wed 12/18/2013 6:57:28 PM
Subject: FW: EPA stmt on Beale sentencing

From: Garbow, Avi
Sent: Wednesday, December 18, 2013 1:52 PM
To: Reynolds, Thomas; Vaught, Laura; Adm13McCarthy, Gina; Keyes-Fleming, Gwendolyn; Deputy Administrator
Subject: Re: EPA stmt on Beale sentencing

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To: Vaught, Laura[Vaught.Laura@epa.gov]; Adm13McCarthy, Gina[Adm13McCarthy.Gina@epa.gov]; Keyes-Fleming, Gwendolyn[keyesfleming.gwendolyn@epa.gov]; Deputy Administrator[62Perciasepe.Bob73@epa.gov]; Garbow, Avi[Garbow.Avi@epa.gov]
From: Reynolds, Thomas
Sent: Wed 12/18/2013 6:37:21 PM
Subject: EPA stmt on Beale sentencing

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From: Vaught, Laura
Sent: Wednesday, December 18, 2013 1:32 PM
To: Adm13McCarthy, Gina; Keyes-Fleming, Gwendolyn; Reynolds, Thomas; Deputy Administrator; Garbow, Avi
Subject: Just fyi

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To: Johnson, Alisha[Johnson.Alisha@epa.gov]
From: Reynolds, Thomas
Sent: Wed 12/11/2013 3:37:55 PM
Subject: Re: Post on Beale/EPA

Not yet.
What did lenny say? Why no stmt from us?

From: Johnson, Alisha
Sent: Wednesday, December 11, 2013 11:02:32 PM
To: Reynolds, Thomas
Subject: RE: Post on Beale/EPA

Has Gina seen?

From: Johnson, Alisha
Sent: Wednesday, December 11, 2013 7:24 AM
To: Reynolds, Thomas
Subject: Fw: Post on Beale/EPA

Sent Bernstein our statement. Contacting him now to see why he didn't run it.

From: Cohen, David
Sent: Wednesday, December 11, 2013 6:26:53 AM
To: Reynolds, Thomas; Johnson, Alisha; Behringer, Caroline; Bloomgren, David; Belknap, Andra; Smith, Roxanne
Cc: AO OEAAE MEDIA RELATIONS
Subject: Post on Beale/EPA

From: Dave Cohen <cohen1207@verizon.net>
Sent: Wednesday, December 11, 2013 6:21:45 AM
To: Cohen, David
Subject: Post on Beale/EPA

EPA warned of ex-official's illegal salary, bonuses in 2010, watchdog report says

-- Aa

The Environmental Protection Agency was warned as early as July 2010 that a senior executive who claimed to be a CIA agent was collecting pay and bonuses not allowed by law but took no action for years, according to a new report from the agency's inspector general.

Auditors warned EPA administrators that continuing "retention bonuses" for John C. Beale, which were not authorized, had pushed his salary above the legal maximum, according to the report, obtained Tuesday by The Washington Post.

In July 2010, the EPA's human resources office contacted Beale's Office of Air and Radiation with a document it had prepared titled "John Beale Pay Issues," according to the report. The head of Beale's department was Gina McCarthy, who is now the head of the EPA. The report does not make clear whether the document was given to her.

A code on Beale's timecard, approved by the Office of Personnel Management, initially allowed his salary to exceed legal limits.

On Jan. 12, 2011, the EPA's Office of General Counsel warned McCarthy's staff to "stop retention bonus pay," and McCarthy was asked to inform Beale, according to the report. But on April 2, 2012, McCarthy "confirmed no actions taken on retention bonus due to advice" from the head of the human resources department, according to the report.

Beale's bonus was not canceled until Feb. 5, 2013. He was forced to retire in April, when his base salary was \$164,000. He will collect his pension.

Beale, who pleaded guilty in September to stealing nearly \$900,000 in government pay and bonuses, is scheduled to be sentenced in federal court Dec. 18. In court papers filed this week, his attorney, John W. Kern, asked for jail time at the "low end" of the 30 to 37 months that Beale faces under federal sentencing guidelines. Beale has agreed to pay more than \$1.3 million in restitution and forfeiture as part of the plea deal.

Top EPA officials have told investigators that they believed Beale's story that he was working as a clandestine officer for the CIA and did not question his exorbitant hotel and first-class airfare bills or the bonuses he collected. The scheme began in 1994.

Sen. David Vitter (R-La.), who has been pressing the investigation, said of the report: "I don't care how manipulative the individual was, somebody at the agency had to approve and sign off on leave, travel, salary and bonuses. This clearly shows some severe mismanagement problems at the EPA, and my guess is that it's just the tip of the iceberg."

An e-mail to an EPA spokeswoman Tuesday night was not returned. Kern did not return a message left on his cellphone.

An Oct. 1 congressional hearing into how Beale stole the money revealed that a second high-level EPA executive, Robert Brenner, a longtime friend of Beale's, accepted an \$8,000 discount on a Mercedes-Benz allegedly arranged by a lobbyist who did business with the EPA. The Justice Department's Office of Public Integrity declined to bring charges against Brenner, according to testimony that day.

Another part of the new report notes that an attorney in the EPA's Office of General Counsel "involved with the Beale matter declined to be interviewed as part of this request as is required under . . . the Inspector General Act."

As a result, the inspector general was "limited in our ability to determine OGC's involvement in, knowledge of and actions related to the Beale matter," the report says.

The Post previously reported that in 2012, McCarthy notified the EPA general counsel's office about her suspicions. That office, in turn, notified the EPA's Office of Homeland Security, which has no investigative authority, delaying the inspector general's probe for months.

To: Adm13McCarthy, Gina[Adm13McCarthy.Gina@epa.gov]; Deputy Administrator[62Perciasepe.Bob73@epa.gov]; Keyes-Fleming, Gwendolyn[keyesfleming.gwendolyn@epa.gov]; Fritz, Matthew[Fritz.Matthew@epa.gov]; Garbow, Avi[Garbow.Avi@epa.gov]; Minoli, Kevin[Minoli.Kevin@epa.gov]
Cc: Johnson, Alisha[Johnson.Alisha@epa.gov]
From: Reynolds, Thomas
Sent: Thur 12/5/2013 5:47:53 PM
Subject: Beale and NBC Nightly News

Michael Isikoff with NBC is planning an in-depth story for NBC Nightly News next week on John Beale. In light of the two IG reports expected next week, and his sentencing the following week, Isikoff is looking to reconstruct what happened leading up to Beale's retirement. He has requested an interview with the Administrator, as he plans to focus on her role as Beale's manager and her work to uncover the fraud. He has reached out to a number of others for interviews as well, including the IG's office, Rob Brenner and Beale's wife. Timing is still undetermined, but he expects the story to run next Wednesday or Thursday evening.

We are preparing a statement for him consistent with what we have said up to this point, outlining that this is an individual who went out of his way to deceive and defraud the federal government. Our statement will also highlight that we have worked closely with the U.S. Attorney's office and the IG since uncovering the fraud.

Please let me know if you have any additional questions.

To: Johnson, Alisha[Johnson.Alisha@epa.gov]
From: Reynolds, Thomas
Sent: Fri 11/15/2013 7:18:05 PM
Subject: RE: interview request

Need to add in here that Gina was the one that uncovered it

From: Johnson, Alisha
Sent: Friday, November 15, 2013 10:19 AM
To: Reynolds, Thomas
Subject: FW: interview request

Statement I'd like to attribute to Gina for this:

This is a convicted felon who went to great lengths to deceive and defraud the U.S. government. Since learning of the fraud, EPA has worked in coordination with its inspector General and the U.S. Attorney's office. The Agency has also put in place additional safeguards to help protect against fraud and abuse related to employee time and attendance, including strengthening supervisory controls of time and attendance, improved review of employee travel and a tightened retention incentive processes.

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Alisha,

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Thanks again,

Svati

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Hi Svati,

Thanks for reaching out. Happy to look into this for you. Can you give me a few more details on topics you'd like to cover? Also, how much time would you be looking for?

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Is it possible to arrange an interview with her before November 15th?

Thank you,

Svati Narula

202-266-7110

To: Johnson, Alisha[Johnson.Alisha@epa.gov]
From: Reynolds, Thomas
Sent: Wed 11/6/2013 3:50:04 PM
Subject: RE: interview request

We can give her a strong comment, reflecting Bob P's testimony from the hearing, but no interview.

From: Johnson, Alisha
Sent: Wednesday, November 06, 2013 10:48 AM
To: Reynolds, Thomas
Subject: Fw: interview request

Another fyi

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Sent: Wednesday, November 06, 2013 10:44:37 AM
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[202-266-7110](tel:202-266-7110)

To: Johnson, Alisha[Johnson.Alisha@epa.gov]; Santillo, Jessica[Jessica_R_Santillo@who.eop.gov]
From: Reynolds, Thomas
Sent: Wed 9/4/2013 10:27:58 PM
Subject: Re: Heads Up: WaPo

Santillo - katie fallon is mildly up to speed on this. I talked to her 10 days ago when this broke and you were out.

From: Johnson, Alisha
Sent: Wednesday, September 04, 2013 6:26:18 PM
To: Santillo, Jessica
Cc: Reynolds, Thomas
Subject: Heads Up: WaPo

Hey there,

I wanted to give you a heads up that the Washington Post is going to run an in-depth story on the John Beale criminal indictment tomorrow. AP broke the story last week (http://articles.washingtonpost.com/2013-08-23/politics/41439239_1_beale-13-years-former-epa-official).

WaPo's story will go into greater detail on Beale's actions during his time at the Agency, specifically from 2000-2012. We have provided him with a statement and some context on background.

I will circulate the story as soon as it runs. Let me know if you have additional questions.

Thanks!

Alisha